

CONFIDENTIAL

DEPARTMENT OF STATE

611.86a/3-175

711.56

120.286h

787.00

DATE: March 17, 1959

DEPARTMENT OF STATE A/CDC/MB
Memorandum of Conversation

REVIEWED BY: *[Signature]*

DATE: 3/29/59

RDS ☐ or XDS ☐ EXT. DATE

TS AUTH. REASON(S)

ENDORSE WITH THE MARKING: ☒ **United States-Saudi Arabian Relations**

DECLASSIFICATION: ☒ **RELEASABLE**

RELEASE DENIED ☐

PA or FOI EXEMPTIONS ☒

SUBJECT:

PARTICIPANTS:

Ambassador Abdullah Khayyal of Saudi Arabia

NEA - Mr. William M. Rountree

NE - Mr. David D. Newsom

COPIES TO:

NEA - 2cc NE/E - 1 W/NSC - 1 INT -
NE - 1cc (1) OFD - 1 L/L - 1 ENC 8

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In response to Ambassador Khayyal's comment that he understood Ambassador Heath was home on consultation, Mr. Rountree said that the Department had taken advantage of a relatively quiet time in Saudi Arabia to discuss certain administrative matters with Ambassador Heath and that no special significance was to be attached to his consultation.

Mr. Rountree advised Ambassador Khayyal that the Embassy in Jidda had informed the Foreign Office by a note of the extension, for an additional year, of the moratorium on the repayment of military credit. He also advised the Ambassador that at the same time the Embassy had raised by a note to the Foreign Office the question of arranging a repayment of the outstanding lend-lease silver obligation.

Mr. Rountree mentioned also that the United States now had a Legation open in Taiz in Yemen and that Ambassador Hare had presented his credentials as Minister. In response to the Ambassador's questions about the situation in Iraq, Mr. Rountree commented that the situation was undoubtedly serious and that Communist influence was strong but that there still appeared to be elements in the country with influence who believed in a truly independent Iraq and who opposed the Communists. Ambassador Khayyal said that, in his view, the situation in Iraq would probably be unsettled for a long time to come.

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